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Problems of Local Industrial Development Outlined

By STUART PARRY WALSH

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New industrial payrolls are being eagerly sought by almost every rapidly growing community in the West, to provide employment, tax revenues, and economic stability. Communities where census figures are static seek new industries to stimulate population growth. Intrigued by such promising words as "decentralization" and "dispersion," and by the industrial expansion that has occurred in a number of western cities, local chambers of commerce are undertaking ambitious programs for industrial development.

Municipal, county, and state governments, as well as private groups, are appropriating funds for such programs ranging from a few thousand to a million dollars—for industrial surveys, plant-site purchase, magazine advertising, brochures, mail campaigns, contact men to call on eastern manufacturers, and lobyists to get Federal appropriations for new defense plants.

The results of these efforts are in some cases disappointing. Industrial growth is almost inevitable where large-scale markets or extensive raw materials are at hand, but it does not always bring the expected benefits to the local economy. In areas where markets or raw materials are less available, industrial development is much more difficult and economically more hazardous.

Chambers of commerce often quote a statement to the effect that a factory employing 100 people provides support for a certain number of stores, doctors, dentists, lawyers, gas stations, and other services, besides paying substantial local taxes and using certain amounts of electric power, gas, transportation facilities, etc. Such a statement, made on a general average basis, has little or no meaning, though the benefits of a specific plant to a particular community may be estimated in these respects.

It should be recognized, however, that industrial plants bring burdens as well as benefits—burdens on housing, schools, water supply and sewerage, fire and police protection, streets and highways, health and recreation facilities. Sometimes industries also create serious social problems; these are beyond the scope of this discussion.

The benefits and the burdens which industries bring to a community differ greatly within major industrial categories and among various types of company management.

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Food Canning Major Industry Of Pacific Northwest*

By ROBERT C. PAULUS

President, Paulus Brothers Packing Co., Salem

The *Encyclopaedia Brittanica* places a very high value upon the science of canning when it states that "the method of preserving food in tins, or other containers, is probably defensible as the greatest of all inventions in historic times. Its effect has been to relieve mankind of dependence upon the annual harvest, since food can be carried over from year to year, or upon the local food supply."

Canners throughout the world are currently observing the 200th anniversary of the birth of an obscure baker, candy maker, brewer, and distiller named Nicholas Appert, upon whom Napoleon Bonaparte, in the year 1796, bestowed an award of 12,000 francs for a method of preserving perishable foods for indefinite periods. France was at war with the greater part of Europe at that time. Scurvy and malnutrition were making inroads on both the armed forces and the civilian population. So the French government, in order to give its armies an improved food ration, and in an effort to make perishable types of foods available at all times of the year, offered the prize which after fourteen long and arduous years of experimentation Appert finally won.

Appert's theory that fresh food would keep if it were sealed in an airtight container and heated sufficienty to thoroughly cook it is the basic principle by which food is currently preserved. Appert's methods were quite crude, compared with modern standards, and considerable spoilage occurred. Subsequently, the work of Louis Pasteur uncovered the cause of this spoilage. The work of many other scientific investigators has since been pyramided upon Pasteur's findings, with the result that canned foods have reached the present high standard of perfection.

From Appert's original discovery there has developed an industry comprising more than 3,500 canneries in the United States alone. Their products cover a wide range: vegetables, fruits, fruit juices, milk, meat, fish and sea foods, soups, baby foods, and various specialties. Among

(Continued on page 2)

* An address given at the Pacific Northwest Trade Association meeting held at Yakima, Washington, Sept. 30, 1952. The sources of statistical data are principally: National Canners Association, Washington, D.C.; Northwest Canners Association, Portland, Ore.; *The Pacific Fisherman*, Seattle, Wash.; and the American Can Company, Portland, Ore.

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Food Canning Major Industry Of Pacific Northwest

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the specialties packed are such items as canned pure water for Army use, Mexican tamales, okra, mustard greens, collards, Irish potatoes, sweet potatoes, chili peppers, pimentos, squid, bouillabaisse, and even rattlesnake meat. More than 400 different food items now being canned utilize annually more than 20 billion cans and jars, and add up to approximately 600 million cases valued at more than $2.5 billion.

In the beginning containers were made by a can maker with tin shears and soldering iron. A good workman could average about 60 cans a day. A can company can now make as many as 400 cans a minute, or roughly a half million cans in a three-shift day, on a single can-making machine. Furthermore, these cans are all being vacuum tested as they are fabricated, and those which might leak air and cause spoilage are automatically thrown out at the can factory.

As with many other useful items, war was the prime factor in the development of canned foods and each war has required of the industry an immense increase in production. It is interesting to note that, after these wars, the consumption of canned foods does not recede to the level before the war—the increase in volume is sustained by increased civilian consumption.

The consumer is the year-round beneficiary of the stabilizing effect upon the cost of living of the preserving of such large quantities of food. The relative importance of the canning industry with respect to the consumers' annual food supply can be seen in the following percentages of the crops of raw vegetables which find their way into cans in the United States:

Peas	85%
Sweet corn	84
Tomatoes	84
Beets	81
Asparagus	51
Green and wax beans	37

Similar statistics with respect to fruits would show that practically 100 per cent of the cling-peach crop is canned; extremely heavy percentages of the Bartlett pear and cherry crop also go into cans.

In the Pacific Northwest the canned-fruit and vegetable industry started in a very humble way about fifty years ago, and has grown, not spectacularly but gradually, through the intervening recurring periods of prosperity and recession until it now numbers about 75 firms operating about 100 canneries. The combined output of members of the trade organization known as the Northwest Canners Association represents about 90 to 95 per cent of the production of the area.

The volume of the Northwest canned-fruit and vegetable industry is shown by the following pack statistics for the year 1951:[1]

Variety	*Cases*
Tree Fruits	
Apples	251,479
Applesauce	111,918
Black cherries	271,640
Royal Anne cherries	513,781
Red sour cherries	170,240
Peaches	338,102
Pears	4,608,929
Plums (fresh prunes)	2,451,178
Miscellaneous	13,490
	8,730,759
Berries	
Blackberries	227,481
Boysenberries	149,707
Gooseberries	32,956
Loganberries	30,562
Black raspberries	1,666
Red raspberries	59,250
Strawberries	22,996
Youngberries	4,390
Miscellaneous	3,186
	532,204
Vegetables	
Asparagus	369,244
Beans	4,889,328
Beets	1,405,210
Carrots	409,712
Corn	3,524,999
Peas	7,489,551
Pumpkin	277,515
Tomato products	122,458
Miscellaneous	589,534
	19,077,551

The tree-fruit and berry pack combined totaled slightly over 9.25 million cases, the estimated value of which was approximately $55 million. The 19 million cases of vegetables totaled over $80 million in value. This gives us a total canned-fruit and vegetable pack of 28.25 million cases with an estimated value of over $135 million.

Of this sales value, in the neighborhood of 16 per cent or slightly over $21 million represents wages paid to over 25,000 employees, 47 per cent or $63 million represents raw product purchased from over 20,000 growers, 20 per cent or $27 million cans and cases, leaving 17 per cent or about $23 million for a myriad of items such as sugar, fuel, power, water, repairs and maintenance, interest, insurance on property and stock, depreciation, property and personal taxes, accounting and management salaries, and a nominal profit.

In the Pacific Northwest we look with considerable respect upon the canned-salmon industry, which during 1951 packed approximately 1,100,000 cases valued at over $28 million—a very substantial canning industry in itself. It is of interest to note that the canned-salmon pack of British Columbia is almost twice as large as ours. In addition to salmon, our Oregon and Washington canners account for 390,000 cases of tuna, a relatively new item, valued at over $5.5 million.

[1] See note 2, page 3.

In addition to fruits, vegetables, and fish, there were canned in the Pacific Northwest in 1951 approximately 4 million cases, with a value of $26.5 million, of such items as canned milk and nonseasonal items such as meats and meat products, including canned animal foods.

This gives us a grand total for the entire canned-food industry in the Pacific Northwest of approximately 33.5 million cases valued at over $195 million.

It is probable that, in addition to roughly $21 million paid in wages to approximately 25,000 workers in the Northwest canned-fruit and vegetable pack, another $21 million was paid to 35,000 workers in harvesting, in transporting the raw product, and in the manufacture of cans; so the total labor payroll created by the canning industry was probably in excess of $42 million to more than 60,000 workers. These data do not include the neighboring industries of frozen foods, canned fish, etc.

From a raw-product standpoint, during 1951, the industry accounted for almost a half million tons of fruits and vegetables, grown on nearly 75,000 acres:[2]

Variety	*Tons*	*Acres*
FRUIT		
Apples	9,000	600
Cherries	16,000	2,000
Peaches	7,500	600
Pears	120,000	9,300
Prunes	40,000	10,000
Other varieties	7,000	5,000
Total	200,000	32,500
VEGETABLES		
Beans	55,000	7,000
Beets	26,000	2,000
Carrots	10,000	500
Corn	110,000	22,500
Peas	66,000	5,000
Other varieties	28,000	3,000
Total	285,000	40,000

Data are not available for an estimate of the value of fixed capital investments or working capital of the industry. Most of the canning plants in the Northwest are old and have been heavily written off. To replace these facilities at current costs would probably entail investments totaling $35 to 40 million; at current inventory values, the working capital required would probably total $20 million more.

The canning industry, having overpacked during 1951, has recently been going through a period of readjustment of its output to current demand. It is also having to adjust itself to increased costs, in both overhead and fixed capital, to meet the demands of the antistream-pollution campaign. Canneries use tremendous quantities of water in washing raw products and in cooking and cooling their finished products. In fact, the average use is about two gallons of water for each one-pound can and around two and one-half gallons for the No. 2 and No. 2½ sizes. This, in effect, means a use of 15 to 20 pounds of water to each pound of raw product—about 50 to 60 gallons per case of finished product. Many canners use from 1.5 to 2 million gallons of water per day during the peak period of operations. During the season the total amount of water used by the Northwest canning industry will approximate 7 to 8 billion gallons. The effluent from canneries goes into streams during their low-water stage. Since contact with the raw product reduces the oxygen content of the water, which is unfavorable to fish life, canners are spending large sums to remove waste material from sewage at their plants. In addition to this expenditure, the canner also finds his operating costs increased through increased water rates or sewer charges which have been imposed to assist in writing off community sewage-treatment facilities. Many small canning ventures have not forseen the need for these outlays, and find themselves being obliged to divert a considerable portion of their funds intended for working capital into fixed investments.

The Northwest canning industry is apparently at an impasse as far as further growth is concerned. Extremely heavy increases in freight rates to eastern points have, practically speaking, erected a barrier at the Rocky Mountains beyond which the industry cannot compete on most vegetables and to some extent on fruits. The East not only has the benefit of lower freight rates to the great consuming markets, but is also favored with lower raw-product costs and labor costs; Pacific Coast wage rates in canneries and on farms are almost 50 per cent higher than those in competing areas in the East. To offset these disadvantages Northwest canners have resorted to more and more mechanization to reduce costs, but have apparently gone as far as they can go in this direction.

The Northwest canned-pea pack has been able to exist only because an unusually high percentage of the canned product goes into the more remunerative higher grades, compared with eastern peas. Blue Lake beans, which are almost an exclusive Northwest product, have been going out under the finest labels of food distributors all over the country. But the pressure of higher living costs has made the consumer cost-conscious; as a result, Blue Lake beans have felt the impact of competition from lower-cost poorer-quality beans packed in the East and the South to such an extent that, after a substantial carry-over from 1951 operations, canners were compelled to reduce acreage for 1952 by an average of approximately 12 to 15 per cent. The quality of canned corn produced in the Pacific Northwest is also very superior, but freight barriers have practically fenced this industry within the area between the Rocky Mountains and the Pacific Ocean. The same can be said of canned beets, of which no better quality is packed in the entire United States. At one time canners shipped large quantities of canned carrots to the Atlantic Coast under the finest distributors' labels; but this part of the industry has also shriveled because it is no longer able to compete. The same is true of canned apples; Pennsylvania, Virginia, and New York have freight and labor advantages that put the Northwest out of competition.

The result of the combination of freight and labor-cost handicaps is that canners have been selling on closer and closer margins each year until there is not enough profit left to warrant further extensive capital risks. Furthermore, these margins are so thin that new ventures are gen-

[2] Since the writing of this paper, data became available with respect to the pack of grape and apple juices in the Pacific Northwest, the total of which ran approximately 2 million cases in 1951 valued at around $5 million. Production of grapes amounting to 24,000 tons came from 5,000 acres. When these figures are added to those given above it runs the total pack of fruit, fruit products, and vegetables up to slightly over 30 million cases and the dollar value up to around $140 million. Further adjustments for apple juices will run the total tonnage up to between 225,000 and 230,000 tons of fruit from 37,500 to 40,000 acres, and the total of both fruit and vegetables to above 500,000 tons from slightly over 80,000 acres.

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erally unable to outlive their period of pioneering to the point where their costs can be brought down to a competitive position with older, experienced operators. Because of the crushing impact of these creeping freight and labor handicaps upon the industry, 23 Northwest canning firms have discontinued business since the beginning of the year 1946.

Problems of Local Industrial Development Outlined

(Continued from page 1)

Some plants with low assessed valuations may require large numbers of employees. High assessed valuations for mechanical equipment often go with small labor requirements. A modern electric power plant, for instance, is a valuable addition to the tax rolls but a meager contributor to payrolls. A fully mechanized sawmill may likewise be a pretty fair taxpayer but a rather limited employer. Aluminum ingot production needs few hands, but aluminum fabrication needs many.

Plants that have high water consumption usually require large-scale sewerage facilities. Other plants may cause heavy wear on streets and highways. The cost of providing municipal services for such plants often exceeds the tax revenues obtained. If the operations are seasonal or the payrolls small, some plants may actually be community liabilities.

This has been true, for example, of some food canneries which have short-season employment, resulting in low average annual incomes which in turn are reflected in low retail sales, while the plants themselves require costly municipal services. In some cases food processers have discouraged the establishment of other industries in a community, fearing the competition of more permanent employment. These conditions in food processing have been improved by the trend toward larger plants handling a wider variety of products and holding peak-season crops in cold storage to lengthen the operating season. Many plants today provide almost year-round employment, and have facilities for reclaiming waste water, as well as other means of reducing demands on municipal services.

Ten years ago San Jose, California was a cannery town, industrially speaking, with all the problems that have been mentioned. Its business leaders took effective steps to change the picture, and today San Jose has a diversified and greatly expanded industrial pattern. Food processing has expanded too, but it accounts for only one-third of local manufacturing employment and its seasonal fluctuation is much less than in the past. One industrial area of about 400 acres in the adjoining city of Santa Clara, which yielded $25,000 in taxes when it was a truck farm in 1945, now brings more than $350,000 in tax revenues to the city and county and its thirty industrial plants provide year-round jobs for more than a thousand employees.

Another western industry in which the cost to the community may offset the benefits is lumbering, which can deplete the basic resource on which the local economy depends. A recent survey report on Douglas County, Oregon by the Federal Bureau of Land Management and other agencies said, in effect, that the area could not afford to have any more sawmills unless they included remanufacturing that would provide more jobs per thousand board feet. Eugene, Longview, and a number of other western lumber towns are making efforts to meet similar problems. Use of waste materials, diversification of wood products, and integrated company operations can all help to make the lumber industry more desirable from the community point of view. These developments, however, are not likely to offset the loss in forest and mill employment when cutting is reduced to a sustained-yield basis, and other industries must be expanded in major lumber-producing areas if the local economy is to be adequately maintained.

The apparel industry includes many well-managed western firms that are community assets, but it also has some marginal producers who operate makeshift plants with low-paid labor and large seasonal layoffs. However, while these establishments may be economic liabilities, they may in some places give welcome employment for housewives who do not want full-time jobs. These plants usually provide little tax revenue, but they make relatively slight demands on municipal services.

Payrolls, tax revenues, and municipal or county service requirements are not the only tests of the desirability of industry from the community point of view. Stability under varying business conditions and the potentials of growth to supply expanding markets are two other important criteria that should be considered. A Department of Commerce study has classified major industry groups as relatively sensitive, average, and relatively insensitive to movements of the business cycle. Most durable goods are in the first category; most nondurable goods are in the second and third.

Questions of stability and growth affect the future of many industries devoted wholly or partly to defense production. In some cases defense plants can be converted to other uses, but in a community such as San Diego, for example, the future economy will be almost wholly dependent on defense activities unless other sources of employment can be developed.

Recent surveys by several agencies indicate that few western communities have given careful attention to the desirability of the various types of industry, established or prospective, on which their prosperity depends. Only those operations that are highly seasonal, or that cause smog or excessive water pollution, have been subject to much critical consideration.

Efforts for local industrial promotion will probably pay off better if the points discussed briefly above are given more thoughtful evaluation. Growing communities can well afford to be selective in their industrial development and static communities must be. The Pacific Northwest particularly needs manufacturing plants with relatively large year-round payrolls, in lines least affected by cyclical change. Its present major resource-based industries are too sensitive to market changes and too highly mechanized to afford stable or adequate employment.

Some of the desirable types of industry will be end-products fabrication in lumber, aluminum, paper, and other lines where primary production is already established; others will be of the so-called "foot-loose" types, where living conditions and productive labor are important location factors. Studies by industrial economists in colleges, banks, Federal agencies, and private companies can help guide local communities in their efforts to attract or develop

such industries as best fit their local needs and facilities. These studies will probably indicate that a number of communities should build their economic future on trade, services, and agricultural enterprises rather than try to become industrial centers.

There are several possible reasons why diversified industry has been rather slow to develop in the smaller and medium-sized communities of Oregon and other Northwest states. One reason is the preoccupation with hydroelectric power and natural resources. These are certainly the major factors, but not the only factors, that will bring industry to this region. The widely publicized power shortage, which may possibly continue for another decade, has given the impression in other parts of the country that no additional manufacturing plants should be located in the Northwest. This point was repeatedly expressed in the Elmer Roper survey a year ago of the views of eastern industrialists regarding this region. Another delaying factor, of particular importance in the case of market-centered industries, has been the great distance between population centers in the Northwest. There are as many people in the Los Angeles metropolitan area as in the three states of Oregon, Washington, and Idaho combined—a fact which no market-oriented industry can afford to overlook. Another difficulty has been the assumption that suitable labor would be hard to find in lumbering and agricultural communities.

These observations all suggest the need for aggressive and well-directed action by communities that are seeking industries of particular types. Sometimes local leaders say, "We made a survey, but nothing much happened." A survey is essential, but it is only the basing point of an effective industrial program. Facts are of no value until they reach the minds of people prepared to act upon them. Reaching those people, within the community and elsewhere, is the essence of any successful plan of local economic improvement.

CURRENT BUSINESS TRENDS IN OREGON

Purchases by moderate-income families in Portland cost 0.3 per cent more in mid-October than three months earlier, according to the U.S. Department of Labor's Bureau of Labor Statistics. The all-commodity price index of the Bureau of Labor Statistics in October was 199.2, up 0.6 of a point over the July-October quarter (av. 1935-39=100). This represents a rise of 1.7 per cent over the preceding twelve months and 4.6 per cent since January 1951.

Group	Index Oct. 15, 1952 (1935-39=100)	Per Cent Change to Oct. 15, 1952 from July 15 1952	Per Cent Change to Oct. 15, 1952 from Oct. 15 1951
	199.2	+0.3	+1.7
Food	247.6	−1.2	+0.3
Apparel	200.1	+1.4	−1.7
Rent	161.2	+0.8	+5.2
Fuel, elec. & refr.	139.4	+0.9	+3.6
Gas & electricity	97.5	0	+3.8
Other fuels	187.0	+1.0	+2.0
Ice	177.4	+21.1	+32.8
Housefurnishings	197.6	+1.4	−4.2
Miscellaneous	179.7	+1.0	+3.9

The 199.2 figure represents a new peak for the all-commodity index. Although food prices were down 1.2 per cent over the quarter, all other major index components were up, more than balancing the downward shift in food.

Food prices, on the average, were the lowest since November 1951, except for the single month of February of this year. During the month between mid-September and mid-October, they dropped 0.8 per cent, largely because of lower prices for beef and veal, lamb, fish, eggs, and fresh fruits and vegetables. The average level of food prices was only 0.3 per cent above its year-ago level, but 13.0 per cent over pre-Korea June 1950.

PORTLAND FOOD PRICES

Portland food prices compiled by the Bureau of Business Research from data collected by the Bureau of Labor Statistics show a slight downward trend based on 56 foods for which comparisons can be made between mid-November and mid-October 1952; 28 prices were lower, 19 higher, and 9 the same. Meats, poultry, and fish were down and dairy products showed a small decline. Fresh fruits and vegetables were up—tomatoes and potatoes showing the largest increases.

Commodity and Unit	Average Nov. 15 1952 (In Cents)	Change from Last Month (In Cents)	Nov. Range of Prices High (In Cents)	Nov. Range of Prices Low (In Cents)
CEREALS & BAKERY PRODUCTS:				
Cereals:				
Flour, wheat (5 lbs.)	53.9	— .1	59	51
Corn flakes (12 oz.)	21.6	— .1	24	21
Corn meal (lb.)	12.6	.2	16	11
Rice (lb.)	22.2	.5	27	19
Rolled oats (20 oz.)	19.4	.....	21	19
Bakery products:				
Bread, white, per loaf (lb.)	16.3	.....	17	15
Vanilla cookies, (7 oz.)	23.0	— .1	26	18
Layer cake (lb.)	44.3	— .2	51	36
MEATS, POULTRY & FISH:				
Meats:				
Beef:				
Round steak (lb.)	107.1	— .8	122	98
Rib roast (lb.)	87.7	— .9	90	85
Chuck roast (lb.)	75.3	—1.1	78	75
Frankfurters (lb.)	58.8	—3.7	70	49
Hamburger (lb.)	59.9	—3.0	79	45
Veal:				
Cutlets (lb.)	111.2	—4.7	140	87
Pork:				
Chops (lb.)	73.1	—12.1	89	64
Bacon, sliced (lb.)	65.5	—7.1	79	53
Ham, whole (lb.)	63.8	—3.3	71	57
Salt pork (lb.)	37.3	— .5	53	29
Lamb:				
Leg (lb.)	80.1	—4.0	89	65
Poultry:				
Fryers, N.Y. dr. (lb.)	57.8	*	64	45
Fish:				
Salmon, pink (16 oz.)	51.2	— .8	59	44
Salmon, fresh	70.9	*	89	55
Halibut, fresh	59.8	*	65	59
DAIRY PRODUCTS:				
Butter (lb.)	83.2	—1.5	90	79
Cheese, Amer. proc. (lb.)	60.9	— .1	67	55
Milk:				
Fresh, delivered (qt.)	22.0	.....	22	22
Fresh, grocery (qt.)	22.0	.....	22	22
Evaporated (14½ oz. can)	14.8	.....	16	14
Ice cream (pt.)	28.3	— .2	33	25
EGGS, Fresh (doz.)	75.8	— .3	83	71
FRUITS & VEGETABLES:				
Fresh:				
Apples (lb.)	13.6	1.7	17	8
Bananas (lb.)	19.7	.1	23	18
Oranges (size 200, doz.)	58.3	.2	78	45
Beans, green (lb.)	†			
Cabbage (lb.)	5.9	.2	10	4
Carrots (bunch)	9.4	— .1	12	8
Lettuce (head)	18.2	6.2	25	9
Onions, yellow (lb.)	9.4	1.1	10	6
Potatoes, white (15 lb.)	100.0	6.1	128	75
Sweet potatoes (lb.)	15.9	.6	19	12
Tomatoes (lb.)	25.0	13.3	39	15
Frozen:				
Peas (12 oz.)	25.9	.1	30	22
Strawberries, sl. (12 oz.)	36.1	—1.4	47	28
Orange juice, conc. (6 oz.)	19.3	— .1	24	17
Canned:				
Peaches (no. 2½ can)	31.1	.3	36	28
Pineapple (no. 2½ can)	35.5	— .3	40	31
Corn, cream style (no. 303 can)	19.1	— .1	20	18
Tomatoes (no. 2½ can)	23.6	.7	25	22
Peas (no. 303 can)	20.1	.2	27	17
Baby foods (4½-4¾ oz.)	9.0	— .1	10	8
Dried:				
Prunes (lb.)	26.6	.4	30	24
Navy beans (lb.)	17.7	.7	19	14
BEVERAGES:				
Coffee (lb.)	87.1	— .2	93	80
Cola drink (6 btles.)	28.8	.....	36	27
FATS & OILS:				
Lard (lb.)	18.8	— .9	29	12
Shortening, hydrog. (lb.)	32.2	.2	37	30
Salad dressing (pt.)	34.6	.....	39	33
Margarine, colored (lb.)	33.5	1.1	35	32
SUGAR & SWEETS:				
Sugar (5 lb.)	56.8	.....	64	55
Grape jelly (12 oz. jar)	25.8	.....	41	22

* No price reported for previous month.
† Insufficient number of quotations to obtain a reliable average price.

CURRENT BUSINESS TRENDS IN OREGON

Lumber. The most recent trends in the lumber industry are summarized in the following table; the figures show comparisons with the corresponding period in 1951.

	Week Ending Nov. 8, 1952	*Calendar Year to Nov. 8, 1952*
Douglas Fir:		
Production	no change	
Orders	+16%	−4%
Change in stocks measured in days' production	− 1 day	no change
Western Pine:		
Production	+ 2%	−3%
Orders	− 9%	no change
Change in stocks measured in days' production	+ 5 days	no change

Employment: October 1952 nonagricultural employment is estimated at 458,100. In September the figure was 478,600, and in October 1951 463,300. The dry weather resulting in logging shutdowns was the principal cause of the decrease; only 76,400 were working in logging and lumbering in October 1952 as compared with 85,900 in October 1951.

Active job seekers on November 1, 1952 reached 18,995; a year ago the figure was 15,834. This increase was almost entirely limited to the Portland area, where 7,800 (3,100 of them women) were seeking jobs on November 1, 1952, whereas 5,900 were unemployed on November 1, 1951. In Eugene the number of unemployed was 107 less than a year ago, and in Salem the total was 450 less.

Banking. Oregon bank deposits, loans, and assets rose during October 1952. Totals of all Oregon banks belonging to the Federal Reserve System follow (figures are in millions of dollars and are for the close of business on the Wednesday indicated):

	Oct. 29, 1952	*Sept. 24, 1952*	*Oct. 31, 1951*
Loans	$ 609	$ 608	$ 534
Investments	620	582	558
Deposits	1,435	1,421	1,320

Department-Store Sales. Portland department-store sales are running about the same as in 1951. Changes in the dollar volume of sales, compared with the same period a year ago, are given below for Portland and other Pacific Coast cities:

	Week Ending Nov. 8, 1952	*4 Weeks Ending Nov. 8, 1952*	*Calendar Year to Nov. 8, 1952*
Portland	.....	+ 3	− 2
Los Angeles	− 2	+ 8	+ 2
San Diego	− 7	− 3	+ 4
Oakland	− 2	+ 4	− 2
San Francisco	− 1	.....	.....
Seattle	+ 1	.....	.....
Spokane	+ 5	− 1	.....
United States	− 8	.....	− 1

Multnomah County Real-Estate Transactions. During October 1952 there were 1,539 real-estate sales amounting to $12,451,718 in Multnomah County. Of these, 1,100 involved residences, the total sales price of which was $9,793,905; 394 were sales of vacant properties, $685,623; and 45 were sales of business properties, $1,972,190. Additional figures are:

	Oct. 1952	*Sept. 1952*	*Oct. 1951*
Number of sales	1,539	1,496	1,279
Value of sales	$12,451,718	$12,373,880	$11,015,831
Number of mortgages	1,207	1,118	1,076
Amount loaned	$ 8,525,471	$ 7,679,969	$ 7,791,392
Number of sheriff's deeds	3	4	3
Amount of sheriff's deeds	$ 53,116	$ 32,867	$ 24,502
Average residential sales price	$ 8,904	$ 9,143	$ 8,773

Business Failures. During Otcober 1952 there were six business failures in Oregon, the liabilities involved amounting to $90,000. The previous month the figures were seven and $113,000, respectively, and in October 1951, two and $399,000.

BANK DEBITS

Bank debits represent the dollar value of the checks drawn against individual deposits. Payment for approximately 90 per cent of all goods, property, and services is by check. Bank debits are regarded as indicators of the general trend of business, though their value for this purpose may be impaired by substantial changes in the level of prices. The Bureau of Business Research collects bank debits from 122 banks and branches monthly. On occasion, the totals for the same month in different issues of the *Review* are not directly comparable because of necessary adjustments in basic data.

Marketing Districts	*Number of Banks Reporting*	*Debits Oct. 1952*	*Debits Sept. 1952*	*Debits Oct. 1951*	*Oct. 1952 Compared with Sept. 1952*	*Oct. 1952 Compared with Oct. 1951*
Oregon	113	$1,406,829,695	$1,356,589,731	$1,321,997,000	+ 3.7	+ 6.4
Portland (Portland, Hillsboro, Oregon City, etc.)	32	875,469,883	826,046,818	812,613,985	+ 6.0	+ 7.7
Lower Willamette Valley (Salem, McMinnville, etc.)	14	107,473,041	102,297,958	101,213,470	+ 5.0	+ 6.2
Upper Willamette Valley (Albany, Corvallis, Eugene, etc.)	17	136,951,533	144,096,616	130,310,830	− 5.0	+ 5.1
North Oregon Coast (Astoria, Tillamook, etc.)	4	23,206,912	24,968,745	21,696,873	− 7.1	+ 6.9
Douglas, Coos, Curry counties	7	43,998,482	49,612,395	47,015,939	−11.3	− 6.4
Southern Oregon (Ashland, Medford, Grants Pass)	6	62,593,813	62,046,672	54,595,951	+ 0.9	+14.6
Upper Columbia River (The Dalles, Hood River, etc.)	7	27,713,871	25,265,525	24,346,944	+ 9.7	+13.8
Pendleton area	6	28,512,047	28,782,441	27,134,590	− 0.9	+ 5.1
Central Oregon (Bend, Prineville, Redmond)	5	28,069,111	23,997,042	26,489,540	+17.0	+ 6.0
Klamath Falls, Lakeview area	5	36,646,807	35,124,344	38,386,823	+ 4.3	− 4.5
Baker, La Grande area	5	17,589,830	15,858,280	17,310,679	+10.9	+ 1.6
Burns, Ontario, Nyssa	5	18,604,365	18,492,895	20,881,376	+ 0.6	−10.9

BUILDING PERMITS

Building permits give an indication of building operations planned rather than actual construction under way. Care must be taken, in interpreting these data, to allow for the lag which may elapse between the issuance of the permit and the beginning of actual construction. The data have been collected by the Bureau of Business Research.

	New Residential Oct. 1952	*New Non-residential Oct. 1952*	*Additions, Alterations & Repairs Oct. 1952*	*Totals Oct. 1952*	*Totals Sept. 1952*	*Totals Oct. 1951*
Albany	$ 43,000	$ 6,100	$ 6,200	$ 55,300	$ 62,900	$ 56,530
Astoria	13,354	100	79,930	93,384	50,690	24,889
Baker	43,000	.....	4,330	47,330	257,703	13,965
Bend	.....	4,400	24,100	28,500	93,936	67,580
Coos Bay	54,500	52,000	8,405	114,905	40,000	39,167
Corvallis	80,330	400	10,835	91,565	128,665	67,999
Eugene	163,100	47,100	48,549	258,749	310,367	167,252
Grants Pass	77,660	15,935	11,031	104,626	129,585	83,680
Klamath Falls	54,400	141,000	8,840	207,240	167,637	70,880
La Grande	31,800	1,190	4,495	37,485	26,323	29,730
Medford	61,000	3,728	11,194	75,922	95,435	145,235
North Bend	75,005	150,165	19,825	244,995	209,169	58,640
Oregon City	54,885	.....	10,280	65,165	56,750	18,920
Pendleton	.....	.....	13,625	13,625	57,165	74,040
Portland	2,149,400	246,065	1,141,310	3,536,775	8,817,795	2,652,110
Roseburg	25,550	135,350	21,702	182,602	130,168	66,710
Salem	296,875	853,297	222,837	1,373,009	528,677	378,253
Springfield	58,780	39,400	11,650	109,830	299,070	106,325
18 other communities	199,800	78,980	116,131	394,911	448,753	351,105
Total	$3,482,439	$1,778,210	$1,775,269	$7,035,918	$11,910,788	$4,473,010